

U.S. Department of Justice

*United States Attorney
Eastern District of Virginia*

*Paul J. McNulty
United States Attorney*

*Fountain Plaza Three, Suite 300
721 Lakefront Commons
Newport News, VA 23606*

*757/591-4000
FAX 757/591-0866*

NEWS RELEASE

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For Further Information Contact:
Deanna Warren 757-441-6331

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Sean Fitzgerald, age 25, a Newport News resident, pleaded guilty today in United States District Court in Norfolk, to mail fraud, criminal infringement of copyright, money laundering and tampering with a witness. Fitzgerald faces a maximum prison term of 55 years, a fine of \$1 million and full restitution when sentenced on May 5, 2004, by United States District Judge Rebecca Beach Smith.

On January 8, 2004, a federal grand jury in Newport News returned a superseding indictment charging Fitzgerald with conducting a fraudulent scheme that advertised and sold counterfeit computer software programs, videos and other merchandise to customers over the Internet. From October 26, 2001 to November 6, 2003, Fitzgerald listed for sale various computer software titles including Windows XP, Windows 2000, Adobe Photoshop, Macromedia Studio, QuickBooks, and various pirated movies in DVD and video compact disk (VCD) formats on Ebay, Yahoo Auctions, and other web sites, including websites he created. Fitzgerald posted these items for sale as established by his use of various e-mail addresses, registration information including name, address, telephone number, Internet protocol (IP) addresses, and bank account information.

Over 127 victims purchased software or movies from Fitzgerald through the auction websites or his own websites and sent him money using Western Union, money orders, cashiers checks, and personal checks to various locations, including his residences, post office boxes, and his mother's residence. Victims also sent Fitzgerald money to Paypal and Bidpay accounts controlled by Fitzgerald and others at his direction. The victims either received no product or were sent counterfeit copies of the original copyrighted materials that had been offered for sale. In all, the victims' losses exceed \$119,000.

United States Attorney Paul J. McNulty said: "The Internet must remain secure and safe. Criminals who rip-off customers on the Internet will be caught and pay a high price for their crimes. Fraud on the Internet will be prosecuted to the fullest extent of the law."

The investigation was conducted by the Federal Bureau of Investigation, the Newport News Police Department and the Postal Inspection Service. Assistant United States Attorneys Howard J. Zlotnick prosecuted the case.

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